
WISCONSIN BROWNFIELD INSURANCE PROGRAM

Update

Prepared for



The State of Wisconsin

Department of Administration and Department of Natural Resources

And the

Brownfields Study Group

Prepared by

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BACKGROUND AND OVERVIEW

Under its contract with the State of Wisconsin (State), Arthur J. Gallagher & Co. (AJGCo.) has been working with and on behalf of the State and the Brownfield Study Group (BSG) to develop an environmental insurance program for brownfield developments throughout Wisconsin. The working title for this program is the Wisconsin Brownfield Insurance Program (WBIP).

Gallagher Environmental Risk and Insurance (GERI), an environmental risk and insurance expertise group within AJGCo., leads these activities. Kenn Anderson, the GERI Managing Director, is the lead contact person for the State within AJGCo.





WBIP Update (continued)

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This document provides a timeline of past activities, a current snapshot and an overview of next steps.

PAST ACTIVITIES

The activities undertaken by GERI, the State and/or the BSG are shown in the table below. Those items highlighted in **yellow** represent indirect activities undertaken by GERI that will ultimately benefit the WBIP due to the networking and idea exchange that occurred.

Issue	Date
1. Meeting with WDNr and WDOA regarding the perceived need and potential of a WBIP.	January 24, 2003
2. Meeting with BSD and insurer regarding technical issues and experience of other State brownfield insurance programs	February 28, 2003
3. GERI informally discussed the concept of a “program” for brownfield insurance with various insurers	Throughout the first 8 months of 2003 prior to the issuance of the formal insurance submission.
4. GERI presented a work plan to the State for the WBIP	April 21, 2003
5. Working with WDNr, WDOA and the BSG, GERI developed the insurance specifications for the WBIP.	April 23 (first draft) through September 8 (fourth and final version), 2003
6. GERI supported the WDNr by speaking at the UW Law School’s Seminar in Madison regarding brownfields and the use of insurance	May 29, 2003
7. GERI met with WDNr to discuss WBIP development and progress	September 3, 2003
8. GERI met with BSG to discuss final WBIP design and submission.	September 23, 2003
9. GERI made WBIP submissions to the 6 leading environmental insurers. <ul style="list-style-type: none"> • 2 declined the risk due to its scope – a program with preset pricing parameters. 	September 24-25, 2003
10. GERI attended the US EPA’s Brownfields 2003 Conference in Portland, OR	October 27-29, 2003
11. GERI participated in EPA Region One’s conference on the use of environmental insurance in Boston	November 20, 2003
12. GERI conducted numerous calls and negotiations with prospective WBIP insurers	Throughout October and November





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13. Underwriting meetings at WDNR – Southeast region offices in Milwaukee	December 3 and 16, 2003
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CURRENT ACTIVITIES

As shown above, GERI and WDNR met with three of the interest insurers in Milwaukee in December and there will also be a meeting with a with fourth insure on February 2, 2004. If needed, there will also be two dates for file reviews for insurers to review VPLE and Closure site files.

Additionally, AJGCo. and GERI are drafting a brokerage contract for the insurers to review that will address various issues including audit provisions of submissions, claims, etc. This should go to the insurers for their review on January 30, 2004 and will be material to the overall success of the program.

Initial feedback from the four remaining insurers are positive. Based on the initial insurer comments (no quotes yet), GERI believes that the program structure, coverage scope and pricing should make for a successful WBIP.





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NEXT STEPS AND ANTICIPATED TIMELINE

The following represents the next steps and GERI's anticipated timeline for bringing the WBIP to fruition.

Activity	Date
1. Draft brokerage contract to insurers for review comment	January 30, 2004
2. Final underwriting meeting at WDNR – Southeast region offices in Milwaukee	February 2, 2004
3. File reviews (if any) of VPLE and Closure site files by prospective insurers at WDNR – Southeast region	February 16-17, 2004
4. Receive initial insurer quotes	February 20, 2004
5. Negotiate terms with insurers and received revised quotes	February 23-25, 2004
6. Present quotes and recommendations to WDNR	February 27, 2004
7. Share findings and recommendations with the BSG	Shortly after WDNR presentation, early March 2004
8. Meet with recommended insurer and finalize any outstanding issues	By March 12, 2004
9. Execute brokerage contract and implement WBIP	April 1, 2004
10. Begin marketing WBIP <ul style="list-style-type: none"> • Brochure mailings • Regional Seminars throughout Wisconsin • Other – to be determined 	On and shortly after April 1, 2004

The information presented above is intended to serve only as a conceptual overview of the WBIP. This is for discussion purposes only.

Please direct any questions about this document to Kenn Anderson at Arthur J. Gallagher & Co. Kenn can be reached at 312.803.7406 or e-mail: Kenn.Anderson@AJG.com.

